

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1973 - HB 2179**

February 15, 2018

**SUMMARY OF BILL:** Defines a travel protection service provider as a service provider that coordinates and arranges all professional services that must be delivered prior to the transportation of a dead human body. Establishes that a contract between a purchaser of a pre-need funeral contract and a travel protection service provider is not a contract of insurance.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Pursuant to Tenn. Code Ann. § 62-5-403(9)(A), a pre-need funeral contract includes any contract requiring the payment of money in advance for the final disposition of a dead human body, for funeral or burial services or for the furnishing of personal property or funeral or burial merchandise.
- Pursuant to Tenn. Attorney Gen. Op.17-07 (February 3, 2017), a plan offered for a prepaid, nonrefundable fee to arrange the professional transport of a dead human body from any site of death to a licensed funeral provider, but only if the contract beneficiary's future death occurs more than 75 miles away from home, qualifies as a pre-need funeral contract and is subject to insurance regulation.
- Based on information provided by the Department of Commerce and Insurance, passage of this legislation would remove travel protection service provider contracts from the trust requirements of pre-need funeral benefits.
- Pursuant to Tenn. Code Ann. § 62-5-405(a)(2), a pre-need seller must register with the commissioner and pay a nonrefundable filing fee. However, a travel protection service provider is not required to register in addition to the pre-need seller. Therefore, there will be no change in the number of registrations and associated fee revenue and expenditures to the Board of Burial Services. This legislation will have no significant impact on the current responsibilities of the Burial Services Program.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Board of Burial Services experienced a surplus of \$196,879 in FY15-16, a surplus of \$161,588 in FY16-17, and had a cumulative reserve balance of \$1,000,103 on June 30, 2017.

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## **IMPACT TO COMMERCE:**

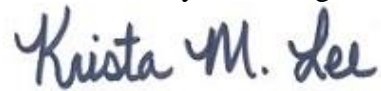
**NOT SIGNIFICANT**

Assumption:

- This legislation will have no significant impact on jobs or commerce in Tennessee.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/vlh